



# House of Representatives

General Assembly

**File No. 371**

February Session, 2000

House Bill No. 5664

*House of Representatives, April 3, 2000*

The Committee on Education reported through REP. STAPLES of the 96<sup>th</sup> Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***An Act Concerning The Property Tax On Motor Vehicles And Local Scholarship Funds.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 (NEW) (a) A municipality, by ordinance adopted by its legislative  
2 body, may establish a local scholarship fund to provide financial  
3 assistance for postsecondary education for residents of the  
4 municipality.

5 (b) Any municipality which establishes a local scholarship fund  
6 pursuant to subsection (a) of this section shall establish a scholarship  
7 committee or designate an existing committee in the municipality to  
8 select, annually, the scholarship recipients.

9 (c) A municipality may redesign and designate a place on its  
10 municipal motor vehicle property tax bill for taxpayers to check off  
11 amounts to donate to the local scholarship fund. The redesign of such  
12 tax bill shall be done so as to allow a taxpayer to voluntarily check off

13 and donate an amount of at least one dollar. The donated amount shall  
14 not reduce the tax liability but shall be in addition to the amount  
15 otherwise due and payable. The redesign of the motor vehicle property  
16 tax bill shall be approved by the Office of Policy and Management  
17 prior to its use. The municipality may include an insert with its motor  
18 vehicle property tax bills which explains the scholarship fund and the  
19 check-off provision to the taxpayer. The town treasurer shall deposit  
20 all moneys collected as a result of the check-off in the fund and the  
21 treasurer may accept donations from other sources for purposes of the  
22 fund.

**ED Committee Vote:** Yea 30 Nay 0 JF

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** None

**Affected Agencies:** Office of Policy and Management

**Municipal Impact:** Cost

**Explanation****Municipal Impact:**

The administrative cost to municipalities that choose to establish a local scholarship funded through a donation check-off on motor vehicle property tax bills is anticipated to be significant in the aggregate. The impact on individual municipalities is dependent on the level of automation each municipality has for making form, data processing and computer programming changes, and whether such activities are done in-house or contracted out.

The cost to administer the scholarship funds is expected to result in a minimal workload increase.

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**OLR Bill Analysis**

HB 5664

***AN ACT CONCERNING THE PROPERTY TAX ON MOTOR VEHICLES AND LOCAL SCHOLARSHIP FUNDS.*****SUMMARY:**

This bill allows municipalities, by ordinance, to establish local scholarship funds to help town residents pay for postsecondary education. Towns may fund the scholarships through a check-off box on local motor vehicle tax bills that allows residents to donate at least \$1 to the fund in addition to their total tax payment.

The bill allows a municipality to redesign its motor vehicle tax bills to accommodate the scholarship check-off program and to include an insert with its tax bills explaining the scholarship fund and the check-off system. It requires the Office of Policy and Management to approve the redesigned tax bills before they are used.

The bill requires any town that establishes a local scholarship fund also to establish or designate a committee in the town to select scholarship recipients every year. The town treasurer must deposit all money received from the motor vehicle tax check-offs into the local scholarship fund along with any donations from other sources.

EFFECTIVE DATE: October 1, 2000

**COMMITTEE ACTION**

Education Committee

Joint Favorable Report

Yea 30      Nay 0